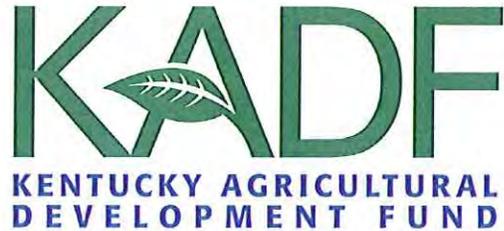


The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the April 20, 2012 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board  
Summary Minutes of the Regular Business Meeting  
Maine Chance Equine Campus – Stallion Facility  
Lexington, Kentucky  
April 20, 2012**

**Call to Order**

James R. Comer, Commissioner, Kentucky Department of Agriculture (KDA), presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 9:05 a.m. (EDT).

**Roll Call**

The following members were present: James R. Comer, Vice Chairman; Dr. Betty Bailey; Roy Collins; Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; President Mary Evans Sias; Jim Sidebottom; Dean M. Scott Smith.

**Notification of Media**

Commissioner Comer received verification that the media has been notified of the KADB regular business meeting.

**Welcome**

Commissioner Comer welcomed everyone to the meeting.

**Approval of Minutes**

Dean M. Scott Smith moved to approve the minutes from the March 16, 2012 KADB regular business meeting as presented; Dr. Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

## **Executive Director's Report**

Joel Neaveill, Chief of Staff, Governor's Office of Agricultural Policy (GOAP) informed the board that Roger Thomas, Executive Director, GOAP would not be in attendance due to the Special Session today at the Capitol in Frankfort.

Mr. Neaveill introduced Dr. Nancy M. Cox, Director, Kentucky Agricultural Experiment Station, University of Kentucky. Dr. Cox welcomed everyone to the Stallion Facility and gave a brief overview of the importance of reproduction studies in Kentucky.

Dr. Cox called on Dr. Jill Stowe to give update on the KADB funded Kentucky Equine Survey. Dr. Stowe, speaking on behalf of the survey team consisting of the University of Kentucky (UK), University of Louisville (UL), the Kentucky Horse Council (KHC) and the National Agricultural Statistics Service (NASS), stated their first focus was to educate the public about Kentucky's equine industry and gather contact information for NASS from which they will create the survey. So far, between statewide meetings, emails and a website created by the Kentucky Horse Council, an additional 13,000 names have been added to the current NASS list. Questionnaires will be mailed out to the entire list from NASS in July. With this phase complete, the focus now is raising matching funds in the amount of \$100,000. Since funding in November 2011, they have raised over \$40,000. A goal has been set to complete their fundraising efforts by July 1, 2012. The survey team will be attending horse shows and race meets in the near future to collect additional surveys from those attending the events.

Dr. Cox asked Dr. Mats Troedsson, Chairman of the Gluck Equine Research Center and Director, Department of Veterinary Science, UK, to give an overview of the Stallion Facility.

Mr. Neaveill congratulated Sam Lawson, Jim Sidebottom, Dr. Betty Bailey, Roy Collins, Wayne Hunt, Wayne Mattingly, Troy Rankin and Sam Moore on their senate confirmations to the KADB.

Mr. Neaveill noted for the board, the following informational items: 1) An energy report highlighting the success of the On-Farm Energy Efficiency and Production Program; 2) A 90 minute documentary video, "Coming to Ground", produced by Media Working Group, Inc. and funded by the KADF. This video highlights changes in the agricultural economy over the last ten years and the KADB's efforts to improve agricultural diversity throughout the state; 3) A listing of air dates/times of the documentary on KET; 4) A Quarterly Marketing, Communications Report (Jan-Mar 2012); and 5) A report on the Promotional Fund.

Mr. Neaveill called on John McCauley, State Director, Kentucky Farm Service Agency (FSA) to give an update to the Board. Mr. McCauley informed the board that he attended the United States Department of Agriculture (USDA) 1890 Taskforce hosted by Dr. Mary Evans Sias, President, Kentucky State University

(KSU). In attendance were the USDA Assistant Secretary of Administration, USDA Assistant Secretary of Administration, USDA Deputy Assistant Secretary for Administration, USDA Deputy Under Secretary for Foreign Agricultural Service and the USDA Under Secretary of Rural Development.

Mr. McCauley gave his appreciation to Bill McCloskey, Director of Financial Services, GOAP and Cyndi Hall, Financial Records Specialist, GOAP, for their attendance and participation in the FSA Guaranteed Lender meetings held across the state.

Mr. McCauley informed the Board that in the restructuring/consolidation of FSA offices across the state, 368 people applied for the position of Application Operations Trainee to become County Executive Directors at FSA Service Centers across the state. Of those 368, seven (7) were chosen, two of which are GOAP employees, Christi Marksbury and Jennifer Hudnall. Mr. McCauley stated that the hiring of Ms. Marksbury and Ms. Hudnall is a credit to their efforts while working for GOAP and the KADB.

Mr. Neaveill congratulated both Christi Marksbury and Jennifer Hudnall stating that it was a great move in a positive direction for their careers. The Board congratulated them as well.

Mr. Neaveill announced to the Board that as of June 1, 2012, Diane Fleming, General Counsel, GOAP would be leaving. Ms. Fleming has accepted a position as General Counsel in the Energy and Environment Cabinet. Ms. Fleming's 4 years experience with GOAP has provided structure, balance and uniformity to our organization and she will be greatly missed. The Board congratulated Ms. Fleming on her new position. Dr. Mary Evans Sias, President, KSU, stated that the organization is infinitely stronger having had Ms. Fleming's expertise.

Mr. Neaveill announced that Roger Thomas, Executive Director, GOAP, plans to fill the void from the recent and future departures and will advise the Board as positions are filled.

#### **Statement of Financial Position**

Mr. Neaveill called on Mr. McCloskey to give the Kentucky Agricultural Finance Corporation (KAFC) Financial Report.

Mr. McCloskey reviewed a Funds Transfer memo (on file with the Board Secretary, dated March 28, 2012) presented to the KAFC Board on April 6, 2012. The KAFC Board approved the transfer of funds due to the demand for loans in the Agricultural Processing Loan Program and the Beginning Farmer Loan Program.

Mr. McCloskey also reviewed the KAFC Statement of Financial Position (on file with the Board Secretary) as of March 31, 2012.

Pat Henderson moved to accept the KAFC Financial Statement; Don Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

## **Old Business**

### **Committee Report**

Commissioner Comer called on Ms. Fleming to present a memo to the Board for consideration.

Ms. Fleming presented a memorandum (on file with the Board Secretary, dated April 20, 2012) regarding a proposal by the Recipient Review Committee to modify the contractual terms of the Central Kentucky Grower's Association relating to A2006-0427, A2001-0007 and related projects.

#### **A2006-0427 Central Kentucky Grower's Association**

The Recipient has requested to modify the existing terms of their agreement by restructuring their current loan.

The Recipient Review Committee recommends approving the restructure of the current loan as presented.

#### **A2001-0007 Central Kentucky Grower's Association**

The Recipient has requested to modify the existing terms of their agreement by revising the terms of forgiveness.

The Recipient Review Committee recommends approving the revised terms of forgiveness as presented.

After discussion, Wayne Hunt moved to approve the Committee recommendation for A2006-0427 and A2001-0007 as presented; after much discussion, President Sias called the question; Don Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

### **Project Update**

Commissioner Comer called on Ms. Marksbury, Project Analyst, GOAP, to give a project update regarding the Meade County Riverport Authority.

#### **A2011-0011 Meade County Riverport Authority**

Ms. Marksbury presented a memorandum (on file with the Board Secretary, dated April 20, 2012) regarding the Meade County Riverport Authority's intent to not go forward with the project. The project will be closed and funds will be returned back to the County accounts and the State account.

No action necessary.

### **Memo Action Items**

Commissioner Comer called upon the GOAP staff to present Memo Action Items to the Board for consideration.

#### **A2007-0404 The Campbell Wool Art Center, LLC**

Ms. Marksbury presented a memorandum (on file with the Board Secretary, dated April 20, 2012) regarding the above-referenced project. The Recipient has requested to amend the terms of forgiveness, increase the price of her classes and remove the tobacco dependency clause from the contract.

The Red Application Review Committee recommends approving this request based on the revised terms and conditions listed in the above-referenced memorandum.

Wayne Mattingly moved to approve the Committee recommendation; Troy Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

#### **A2010-0112 Kentucky Department of Agriculture**

Ms. Hudnall presented a memorandum (on file with the Board Secretary, dated April 20, 2012) regarding the above-referenced project. The Recipient has requested to reallocate funds.

The Red Application Review Committee recommends approving the reallocation of funds as presented in the above-referenced memorandum.

Mr. Henderson moved to approve the Committee recommendation; Sam Lawson seconded the motion.

VOTE: Motion Passed; Unanimous

### **New Business**

#### **New Applications for Referral<sup>1</sup>**

Commissioner Comer referenced the following applications for referral:

A2012-0041 Kentucky State Fair Board  
A2012-0043 Woodford County Board of Education

President Sias moved to refer the submitted applications; Dean Smith seconded the motion.

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<sup>1</sup> A detailed list of applications for referral is attached as Appendix A.

VOTE: Motion Passed; Unanimous

**Programs Recommended for Approval<sup>2</sup>**

Commissioner Comer referenced the following programs for approval.

**County Agricultural Investment Program (CAIP)**

Commissioner Comer referenced three (3) CAIP applications from Oldham, Whitley and Marshall Counties requesting County funds totaling \$72,506.

**Deceased Farm Animal Removal Program (DAR)**

Commissioner Comer referenced two (2) DAR applications from Boyle and Scott Counties requesting County funds totaling \$15,000.

**Shared-Use Equipment Program**

Commissioner Comer referenced four (4) Shared-Use Equipment applications from Montgomery, Clay, Madison and Fayette Counties requesting County funds totaling \$55,988.

Sam Moore moved to approve the program recommendations as presented; President Sias seconded the motion.

VOTE: Motion Passed; Unanimous

**Requested Program Amendments<sup>3</sup>**

Commissioner Comer referenced the following Amendments for approval.

Commissioner Comer referenced three (3) CAIP amendments from Oldham, Kenton and Barren Counties requesting County funds totaling \$104,410.

Jim Sidebottom moved to approve the submitted program amendments as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous

**Recommendations for Funding**

Commissioner Comer called upon the GOAP staff to reference the Project Recommendations for Funding.

**A2011-0179 Carroll County Agriculture Development Fund, Inc.**

Ms. Hudnall presented the above-referenced project from Carroll County requesting \$1,500 in Carroll County funds to administer a Show Hog Initiative.

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<sup>2</sup> A detailed list of projects funded under the County Agricultural Investment Program, Deceased Farm Animal Removal Program and Shared-Use Equipment Program is attached as Appendix B.

<sup>3</sup> A detailed list of County Agricultural Investment Program Amendments is attached as Appendix C.

The Blue Application Review Committee recommends funding this request for \$1,500 in Carroll County funds in the form of a grant.

Mr. Rankin moved to approve the Committee recommendation; Karen Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

**A2012-0007 Kentucky State University**

Ms. Hudnall presented the above-referenced project from Kentucky State University requesting \$998,000 in State funds over a two (2) year period to impliment the initiatives of the Kentucky Center for Sustainability of Farms and Families.

The Red Application Review Committee recommends funding this request for \$998,000 in State funds over a two (2) year period.

After discussion, Mr. Hunt moved to approve the Committee recommendation; Mr. Moore seconded the motion.

VOTE: Motion Passed; Unanimous; President Sias Abstained

**A2012-0017 Four Hills Farm LLC**

Ms. Hudnall presented the above-referenced project from Four Hills Farm LLC requesting \$4,000 in Mercer County funds and \$56,000 in State funds to expand their lamb enterprise.

The Red Application Review Committee recommends funding this request for \$4,000 in Mercer County funds in the form of a grant and and \$50,000 in State funds in the form of a 1% interest loan.

Dr. Bailey moved to approve the Committee recommendation; President Sias seconded the motion.

VOTE: Motion Passed; Unanimous

**A2012-0023 Fayette County Rural Land Management Board, Inc.**

Mr. McCloskey presented the above-reference project from the Fayette County Rural Land Management Board, Inc. requesting \$150,000 in Fayette County funds to purchase development rights on rural farmland in Fayette County.

The Red Application Review Committee recommends funding this request for \$25,000 in Fayette County funds based on the Fayette County Agricultural Development Council committing \$25,000 to the project.

Jim Mahan moved to approve the Committee recommendation; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

**Recommendations for No Funding**

Commissioner Comer called upon the GOAP staff to reference the Project Recommendations for No Funding.

**A2012-0026 Jackson Dairy Supply, Inc.**

Ms. Marksbury presented the above-referenced project from Jackson Dairy Supply requesting \$42,500 in State funds to purchase heat detection systems for five (5) producers in Kentucky.

The Red Application Review Committee recommends no funding this request due to similar requests for funds from previous applicants.

President Sias moved to approve the Committee recommendation; Mr. Moore seconded the motion.

VOTE: Motion Passed; Unanimous

**A2012-0029 Green Palace Meadery LLC**

Ms. Marksbury presented the above-referenced project from Green Palace Meadery LLC requesting \$5,000 in Barren County funds and \$70,000 in State funds to construct a small farm winery in Barren County.

The Red Application Review Committee recommends no funding this request and to refer the applicant to the Kentucky Agricultural Finance Corporation.

Mr. Henderson moved to approve the Committee recommendation; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

**Pending Applications**

Commissioner Comer called on the GOAP staff to provide a brief update on the following pending applications:

A2011-0111	Rowan County Senior High School Agriculture Department
A2012-0004	Kentucky World Trade Center, Inc.
A2012-0010	Marksbury Farm Foods, LLC
A2012-0011	W. Brent Woodrum
A2012-0025	The University of Kentucky Research Foundation
A2012-0027	Grasshoppers Distribution, L.L.C.

A2012-0030 Triple J Farm  
A2012-0033 Kentucky Association of Food Banks

No action necessary.

**Closing Remarks**

Mr. Neaveill announced that the next KADB meeting will be held at the Shelby County Cooperative Extension Office in Shelbyville.

Mr. Neaveill announced that the Kentucky Proud Recipient Committee will meet upon adjournment.

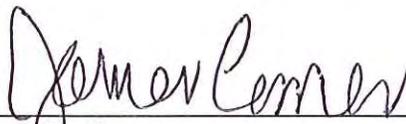
**Adjournment**

Mr. Mahan moved to adjourn the KADB regular business; Dr. Bailey seconded the motion.

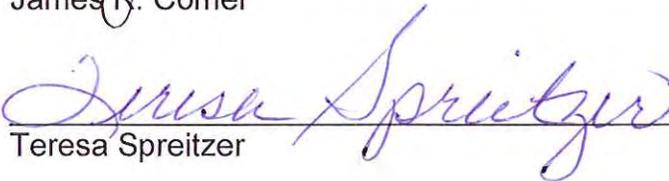
VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 11:14 a.m. (EDT).

Presiding Officer:

  
\_\_\_\_\_  
James R. Comer

Board Secretary

  
\_\_\_\_\_  
Teresa Spreitzer

### Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2012-0041	Kentucky State Fair Board <i>Support for the FFA and 4-H Sale of Champions</i>	Jefferson
A2012-0043	Woodford County Board of Education <i>High school greenhouse</i>	Woodford

## Appendix B: Program Lists

<b>CAIP</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0047	Oldham County Farm Bureau of Oldham County, Kentucky	Oldham	\$3,260.00
A2012-0048	Whitley County Cattlemen's Association, Inc.	Whitley	\$44,246.00
A2012-0050	Marshall County Soil & Water Conservation District	Marshall	\$25,000.00
			\$72,506.00

<b>Deceased Farm Animal Removal Program</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0042	Boyle County Farm Bureau Federation	Boyle	\$7,500.00
A2012-0046	Scott County Conservation District	Scott	\$7,500.00
			\$15,000.00

<b>Shared-use Equipment</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0036	Montgomery County Cattlemen's Association, Inc.	Montgomery	\$20,850.00
A2012-0038	Kentucky Ketch, Inc.	Clay	\$10,013.00
A2012-0039	Madison County Farm Bureau, Inc. of Madison County, Kentucky	Madison	\$11,625.00
A2012-0049	Fayette County Cattlemen's Association, Inc.	Fayette	\$13,500.00
			\$55,988.00

Total County Funds Recommended for Approval in Programs: **\$143,494.00**

**Appendix C: Program Amendments**

App # A2011-0057  
 Applicant Name Oldham County Farm Bureau of Oldham County, Ky  
 Original Amount Approved \$45,300  
 Execution Date 06/14/2011  
 Requested Change The applicant requests an additional \$2,720 in Oldham County funds for the CAIP. The request received a high priority from the Oldham County Council.  
 This is the 1st request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
 Approval of this request would bring the program total to \$48,020.  
**Recommend Approval**



App# A2011-0139  
 Applicant Name Kenton County Farm Bureau, Inc.  
 Original Amount Approved \$53,000  
 Execution Date 12/08/2011  
 Requested Change The applicant requests an additional \$31,690 in Kenton County funds for the CAIP. The request received a high priority from the Kenton County Council.  
 This is the 1st request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
 Approval of this request would bring the program total to \$84,690.  
**Recommend Approval**



App# A2011-0174  
 Applicant Name Barren County Conservation District  
 Original Amount Approved \$400,000  
 Execution Date 01/13/2012  
 Requested Change The applicant requests an additional \$70,000 in Barren County funds for the CAIP. The request received a high priority from the Barren County Council.  
 This is the 1st request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
 Approval of this request would bring the program total to \$470,000.  
**Recommend Approval**

